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FM AMEMBASSY NEW DELHI
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INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUEHBJ/AMEMBASSY BEIJING 8176
RUEHLO/AMEMBASSY LONDON 7170
RUEHMO/AMEMBASSY MOSCOW 3865
RUEHFR/AMEMBASSY PARIS 2073
RUEHKO/AMEMBASSY TOKYO 6635
RUCPDO/DEPT OF COMMERCE WASHDC
RUEHUNV/USMISSION UNVIE VIENNA 1838
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RUEKJCS/SECDEF WASHDC
RHEFDIA/DIA WASHDC
RUEHGV/US MISSION GENEVA SZ 8722
RHEHAAA/WHITE HOUSE WASHDC
RUEAIIA/CIA WASHDC
RHEHNSC/NSC WASHDC
RUEIDN/DNI WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 000064

SIPDIS

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TAGS: [PGOV](#) [PREL](#) [PARM](#) [KNNP](#) [ENRG](#) [ETTC](#) [IN](#)

SUBJECT: CONCERNS ABOUT LIABILITY LEGISLATION AND EXPORT
CONTROLS ROAD MAP

REF: A. STATE 1619

[B.](#) 09 STATE 116165

[C.](#) 09 STATE 130775

Classified By: Political Counselor Uzra Zeya for Reasons 1.4 (B) and (D)
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Summary

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[1](#)1. (C) MEA/DISA Joint Secretary Gaddam Dharmendra was surprised and concerned to learn that the Indian government's draft civil nuclear liability legislation might deviate from the Convention on Supplementary Compensation for Nuclear Damage (CSC). He said he would look into it, as well as encourage the Department of Atomic Energy to make its case for the legislation by doing more to counter erroneous and inflammatory media reporting. The government is preparing a reply on fourteen outstanding onward proliferation cases, as well as the Export Controls Roadmap passed by NSA General Jones to NSA Narayanan in November. Dharmendra cautioned that the government was disappointed by the "business as usual" approach to the export controls issue, suggesting that the evolution of the U.S. position on the issue had not met expectations and that the government would continue to raise the issue at the political level. Ambassador Roemer also raised the liability legislation issue in a February 13 meeting with Foreign Secretary Rao (septel). End Summary.

Civil Nuclear Liability Legislation

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[1](#)2. (SBU) Poloff delivered ref A demarche January 12 to Ministry of External Affairs Joint Secretary for Disarmament and International Security Affairs (DISA) Gaddam Dharmendra. Dharmendra said the government's intention was to implement domestic civil nuclear liability legislation fully consistent with the Convention on Supplementary Compensation for Nuclear Damage (CSC), and he seemed surprised and concerned that the draft legislation might deviate from its principles. Dharmendra shared that while the Department of Atomic Energy (DAE) had the lead on the issue, DISA had been consulted extensively during the drafting of the legislation, and that they had "done their due diligence," including by consulting outside legal experts. Dharmendra was not sufficiently

familiar with the nuances of the draft legislation to reply immediately to the substance of the concern with regard to Subsection 17.b, but he said he would look into it. Ambassador Roemer also raised the liability legislation issue in a February 13 meeting with Foreign Secretary Rao (septel).

¶3. (SBU) Dharmendra added that he "knew for a fact" that journalist Siddharth Varadarajan of The Hindu, the source of the concern raised by U.S. industry, had seen the draft legislation, lending credibility to the substance of the concern. He said he could not share the draft legislation without instruction from his superiors, but understood the seriousness of the matter. Confronted with concern about increasing indications that debate of the draft bill will be contentious, Dharmendra agreed that the government needed to do more to counter erroneous and inflammatory media reporting on the issue. He said he would encourage DAE to do more to make its case publicly for the legislation.

Onward Proliferation Cases

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¶4. (C) Dharmendra and MEA/DISA Under Secretary Vipul in separate meetings January 12 each confirmed that DISA was working on a reply to ref B demarche regarding thirteen outstanding onward proliferation cases. Vipul also received ref C demarche and said they would look into it along with the other cases.

Export Controls Road Map

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¶5. (C) Dharmendra confirmed that the government was preparing a reply to the Export Controls Road Map passed by NSA General Jones to NSA Narayanan October 26. Dharmendra said DISA had the lead on the issue and that, after gathering inter-agency views, he had recently made his recommendation to NSA Narayanan. In a discursive and oblique commentary, Dharmendra suggested that the government was disappointed by the "business as usual" and "quid pro quo" U.S. approach to the export controls issue, suggesting that the evolution of the U.S. position on the issue had not met the government's expectations as envisioned in the Next Steps in the Strategic Partnership (NSSP) process.

¶6. (C) COMMENT: Dharmendra's commentary echoed other indications that the government planned to continue pressing the export controls issue at the political level rather than, as they see it, continuing to engage in incremental efforts at the technical level. Prime Minister Singh has mentioned the issue both publicly and privately in recent weeks. Most recently, Foreign Secretary Rao singled out export controls as an issue of concern in her remarks at an Aspen Institute India and Center for New American Security sponsored panel discussion on the future of the U.S.-India relationship in Delhi January 12 featuring Nick Burns and Richard Danzig among others. END COMMENT.

ROEMER